GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industries and Commerce Department–Extension of certain incentives under Sri Venkateswara Mobile and Electric manufacturing hub and Electronic Policy 2014-2020 to M/s Rising Stars Mobile India (P) Ltd (RSM) to set up in Sricity, Chittoor District - Orders-Issued.

INDUSTRIES &COMMERCE(POLICY&INVESTMENT) DEPARTMENT

G.O.MS.No. 38 **Dated: 03-03-2017**

Read the following:-

1. Letter from the Director, M/s Rising Stars Mobile India (P) Ltd, dt.23.01.2016.
2. Empowered Committee Meeting on 25.01.2017
3. State Investment Promotion Board Meeting on 25.01.2017.

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ORDER:-

1. In the reference 1st read above, the Rising Stars Mobile India (P) Ltd. has informed that, M/s Rising Stars Mobile India (P) Ltd (RSM) is part of 150 Billion US Dollar Foxconn – Taiwan. They have setup a factory in Sricity, Chittoor District with an initial investment of over Rs.100 crore with a capacity to produce 2 million handsets per month and employing more than 2,000 people, mostly women and they are in the process of doubling the capacity. The State Investment Promotion Board (SIPB) granted incentives to Rising Stars Mobile India (P) Limited in its meeting held on on 17.11.2015 and Government issued orders vide G.O.M.S.NO. 7, dated 07.01.2016 and M/s Rising Stars Mobile India (P) Ltd represented to Government informing that they have difficulty in calming the incentives and made the following requests:

a. In the G.O it has been mentioned as "initial investment of about Rs100 crores and employing more than 2000 peoples. The company requests the state to amend it as "initial investment of about Rs100 crores to be made within a period of 18 months from the date of commencement of commercial production (DCP) or employing more than 2000 peoples (both employees of RSM and outsourced employees)."
b. The condition of "Reimbursement of net VAT without an investment limit for a period of 10 years from date of commencement of commercial production" is requested to be amended as "Reimbursement of 100% net VAT and CST without an investment limit for a period of 10 years from date of commencement of commercial production."

c. The condition of "values of Leased Building will not be taken into account" is requested to be amended as "values of investment for establishment of production facilities in the Leased Building will also be taken into account." (Ref: Industries Department Notifications No: 108, dated 14.11.2015, Clause No.: 8.2.1)

d. For granting incentives, investment made by RSM in all production facilities of Rising Stars Mobile situated in AP is also requested to be considered viz production facility @ No: 215, Benjamin Road, Sector 24, Sricity and include investments

made by Rising Stars Mobile in the future in any locations situated in the state of Andhra Pradesh.

e. Additional incentives as per GO No. 57 of Sri Venketeswara Electronic hub as no other incentives were notified in the GO given to the Rising Stars Mobile.

2. In the reference 2nd read above, the Empowered Committee of Secretaries (EC) has examined the proposal of M/s Rising Stars Mobile India (P) Ltd, in detail and the EC noted that the incentives offered to M/s Rising Stars Mobile India (P) Ltd were much before the issuance of GO.MS.NO.57 dated 30.04.2016 of Sri Venkateswara Mobile and Electronics Manufacturing Hub. EC felt that the criteria for the Mega Project and the incentives should be uniform for similar kind of projects to create a level playing field and recommended to issue an amendment to the GO. M.S. No. 7 dated 07.01.2016. incorporating the following changes:

i. To indicate the Mega Project criteria as Rs.250 Crore or create employment to 1000 people.
ii. To consider the units located in one Mandal as one entity, as the industry is employment intensive.
iii. 100% net VAT/SGST/CST reimbursement for 8 years, without any investment limit
iv. All other incentives on the lines of similar kind of facilities like Cellkon, Karbon etc issued vide GO.MS.NO.57 dated 30.04.2016

3. In the reference 3rd read above, the State Investment Promotion Board(SIPB) has examined the proposal of M/s Rising Stars Mobile India (P) Ltd, in detail and SIPB felt that the criteria for the Mega Project and the incentives should be uniform for similar kind of projects to create a level playing field and decided to issue an amendment to the GO. M.S. No. 7 dated 07.01.2016. incorporating the following changes:

a. To indicate the Mega Project criteria as Rs.250 Crore or create employment to 1000 people.
b. To consider the units located in one Mandal as one entity, as the industry is employment intensive.
c. 100% net VAT/SGST/CST reimbursement for 8 years, without any investment limit
d. All other incentives on the lines of similar kind of facilities like Cellkon, Karbon etc issued vide GO.MS.NO.57 dated 30.04.2016

4. Government after careful consideration of the recommendations of the State Investment Promotion Board hereby extend the following incentives to M/s Rising Stars Mobile India (P) Ltd for their facilities in Sricity with an initial investment of Rs.100 Crore with a potential to create a total employment to 2000 people. The Company is expected to increase the employment to 7000 by 2017 with an additional investment of Rs.50.00 Crore:

1. Mega Status – Mega project status to Mobile and Electronics (as defined in MSIPS policy of Government of India) manufacturing companies with investment of Rs.250 Crore or employment of 1,000 persons.
2. To consider the units of Rising Stars Mobile India located in one Mandal as one entity for extension of benefits covered under the GO issued in the name of RSMI, for as the industry is employment intensive.

3. To consider the contract employees also part of the employment while considering the Mega definition, subject to the following conditions

   i. The service provider, which is supplying contractual employees to the Company should register with Labour Department
   ii. The Company /Service provide shall comply with Labour Regulations such as Minimum wages, ESI, PF etc, as amended from time to time.

4. 100% net VAT/SGST/CST reimbursement for 8 years from the Date of Commencement of Commercial Production, without any investment limit

5. All other incentives as per GO.MS.NO.57 dated 30.04.2016, which include:

i. To provide 20% Investment Subsidy, subject to the following cap:

(a) For investment upto Rs. 100 crore – Investment subsidy upto.Rs. 10 crore. (b)for investment from Rs. 100 crore to Rs.300 crore - Investment subsidy Upto Rs. 20 crore.

ii. To provide Interest Subsidy @ 5.0% upto Rs.1.50 crore per year for a period of 7 years.

iii. Reimbursement of tax to be made on a quarterly basis.

iv. VAT / SGST rate is fixed at 5% during the applicable reimbursement period.

v. Logistic subsidy of 25% of cost incurred on domestic transports and a sum of Rs 50 lakh per annum subsidy on Logistics for 5 years.

vi. Power cost reimbursement @25% of power cost for a period of 5 years, limited to Rs 2.00 crore (for all 5 years).

vii. Uninterrupted power supply shall be provided.

viii. Reimbursement of the cost incurred for Training & Skill Upgradation, @ Rs 10,000 / employee.

6. The Director of Industries, Andhra Pradesh, Vijayawada shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNER OF ANDHRAPRADESH)

SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

To
The Director of Industries, Andhra Pradesh, Vijayawada
M/s Rising Stars Mobile India (P) Ltd through the Director of Industries, Andhra Pradesh.
The PR& RD (PR) Department.
The MA& UD Department.
The H.M.& F.W. Department.
The Collector& District Magistrate, Chittoor District.
The VC&MD,APIIC Ltd.
The General Manager, District Industries Centre, Chittoor District.

The Zonal Manager, APIIC, Chittoor.
Copy to
Finance (EBS-VIII)Department.
The Revenue (CT) Department.
The Revenue (Registration) Department.

The Law(H) Department.
The Accountant General, Andhra Pradesh, Hyderabad
The Commissioner of Commercial Taxes
The Vice Chairman & Managing Director, APIIC. Vijayawada
P.S. to Secretary to Chief Minister
P.S. to Chief Secretary to Government
P.S. to Secretary to Government& CIP,
Industries & Commerce Dept.
SC/SF.

//FORWARDED :: BY ORDER//

SECTION OFFICER